



January 2003

Important Health Benefits News for Benefits Administrators

Upcoming Events

JAN

Jan. 16 ♦ First payroll deduction in new plan year for Flexible Reimbursement Accounts

Jan. 17 ♦ Lee-Jackson Holiday

Jan. 20 ♦ Martin Luther King, Jr. Holiday

Jan. 31 ♦ Updated Commonwealth of Virginia and TLC provider list (directory) on Anthem Web site

FEB

February 11-12 ♦ Fundamental Health Benefits training

February 17 ♦ President's Day Holiday

February 21 ♦ Tentative copy developed for Spotlight newsletter and materials for spring Open Enrollment

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B.A. Bulletin

Health Care Costs Rose Again in Fiscal 2002

It's no surprise that increasing health care costs continued to impact the State Health Benefits Program during fiscal year 2002, and will again affect benefits offered beginning July 1, 2003. Here are several highlights from the 2002 Health Benefits Annual Report:

- Claims expenses for Key Advantage and Cost Alliance over the past five years have increased a total of 43 percent and utilization of medical services has risen 31 percent.
- Prescription drug costs last year represented 20.7 percent of total claims.
- Overall inpatient facility costs rose 16 percent in 2002 over the previous year.

The 2002 Annual Report is available online only and may be found on the DHRM Web site under Health Benefits by clicking on the News tab. Please be sure that all employees with e-mail are made aware of the location of the report. It may be downloaded and printed for those without e-mail access.

Link to Budget Amendment on Health Benefits

The Governor's budget amendment relating to proposed changes in state employee health benefits may be found on the General Assembly Web site at <http://leg1.state.va.us/031/bud/BudSum/CA.PDF>. We will provide additional information as it becomes available. Please remind employees that these are proposed changes only and must be considered by the General Assembly.

Ombudsman and Employee Services Contact Information

- **Address:** Employee Services, Office of Health Benefits, 101 N. 14th Street, 13th Floor, Richmond, VA 23219.
- **E-mail address for Employee Services:** eesvcs@dhrm.state.va.us.
- **E-mail address for appeals:** appeals@dhrm.state.va.us.
- **Appeals** must be in writing.

Piedmont HMO/POS to Leave Program

Piedmont Community HealthCare HMO/POS, which serves members in Western Virginia, has notified us of its intent to end participation in the State Health Benefits Program effective July 1. The only regional plan that will be available beginning in July is the Kaiser Permanente HMO, serving members in Northern Virginia.

Changes to BES/PMIS

Information was sent earlier this month on changes to BES/PMIS effective January 1, 2003. Please see all four broadcast screens. You may also visit the ITECH tab on the DHRM Web site at www.dhrm.state.va.us and view the information on new or revised PMIS transactions.

